

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

LoveJoy Tool Co Inc

Vermont Manufacturing Extension Center

Lovejoy Tool Company Crafts Early Successes From Lean Implementations

Client Profile:

Lovejoy Tool Company, located in Springfield, Vermont, is a manufacturer of insert milling cutters and support hardware. Established in 1916, the company employs 87 people.

Situation:

The Lovejoy Tool Company has been manufacturing insert milling cutters and support hardware for over 80 years in the southeast region of Vermont. When the economy of the region, and more specifically the machine tool industry, began to experience significant slow downs, the company faced the prospects of an aging workforce, high inventory levels, and process waste. The prospects didn't look good. Lovejoy contacted the Vermont Manufacturing Extension Center (VMEC), a NIST MEP network affiliate, for assistance.

Solution:

VMEC and the team at Lovejoy realized they could work smarter, not harder, and get better results. Recognizing the value of intensive training, over 90 percent of the employees encompassing management and workforce completed a Lean 101 training program. In addition, key personnel participated in a number of VMEC public workshops, including Setup Reduction, Cellular Flow Manufacturing, Change Management, and 5S Systems. The team as a whole then applied this training by mapping three separate value streams within the organization. The benefits of these lean initiatives are company-wide and are both tangible and intangible. Efforts to move from the current state (May 2001) to future state (May 2002) have seen inventory reduced by nearly \$400,000 in a 12-month period. In addition, the team has reduced batch sizes and work-in-process (WIP) and implemented better methods for managing raw materials and finished goods. Ultimately, the implementation and ongoing efforts in lean have allowed Lovejoy Tool to maintain a positive cash balance in a time when sales have not grown significantly.

Results:

Reduced inventory by \$400,000 in 12 months.
Reduced batch sizes.
Reduced WIP.
Maintained a positive cash balance in a troubled economy.

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Testimonial:

"The Vermont Manufacturing Extension Center has been great with follow-up and on-going support and suggestions during the implementation of the lean programs. The hands-on method VMEC uses during training has made all the classes valuable and enjoyable. This has been key in keeping the interest and enthusiasm of the team at a high level."

Warren Garfield, Plant Manager